

Message Text

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ACTION EA-10

INFO OCT-01 AF-06 EUR-12 ISO-00 SSO-00 INRE-00 AID-05

EB-07 PM-03 INR-07 IO-10 L-02 NSAE-00 NSC-05 PA-01

RSC-01 DPW-01 PRS-01 OMB-01 SS-15 /088 W

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O R 051100Z FEB 75

FM AMEMBASSY SAIGON

TO SECSTATE WASHDC IMMEDIATE 2533

INFO AMEMBASSY BANGKOK

AMCONSUL BIEN HOA

AMCONSUL CAN THO

AMCONSUL DANANG

AMEMBASSY JAKARTA

AMCONSUL NHA TRANG

AMEMBASSY PARIS

AMEMBASSY SEOUL

AMEMBASSY TOKYO

USIA WASHDC

USDEL JEC PARIS

CIA

DIA

JCS

JUSMAAG

WHITE HOUSE

USAJFKCMA/ATCS-WL-DSA

CINCPAC

CINCPACAF

CINCPACFLT

DEPCHIEF JUSMAAG UDORN

USDAO SAIGON

AMEMBASSY LONDON

AMEMBASSY BUDAPEST

AMEMBASSY CANBERRA

AMEMBASSY COTONOU

AMEMBASSY MANILA

AMEMBASSY MOSCOW

AMEMBASSY PHNOM PENH

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AMEMBASSY STOCKHOLM

AMEMBASSY VIENTIANE
AMEMBASSY WARSAW
AMEMBASSY WELLINGTON

C O N F I D E N T I A L SECTION 1 OF 3 SAIGON 1405

CINCPAC FOR POLAD

DEPT PASS IMMEDIATE IBS/NCA

E.O. 11652: GDS

TAGS: PINT PINS PINR MILI VS PFOR PARM ICRC
SUBJ: EMBASSY SAIGON'S MISSION WEEKLY FOR
JANUARY 30 - FEBRUARY 5, 1975

WEEKA ITEMS

--THE MILITARY SITUATION

--NE COMMANDER FOR III CORPS

--NATIONAL POLICE MOVE TO DISBAND HOA HAO CIVIL GUARD

--RADICAL OPPOSITION GROUPS ISSUE "POLITICAL INDICTMENT"

--GOVERNMENT ARRESTS NEWSMEN & CLOSES FIVE PAPERS

--GVN IN GOOD POSITION AT LAW OF WAR CONFERENCE

--OIL EXPROATION DEVELOPMENTS

--WHEAT AGREEMENT SIGNED

--NEW AGRICULTURE DEVELOPMENT BANK HEAD

--KITCHEN GOD NUDGES PRICES UP

--DOLLAR AND GOLD MARKETS QUIET

INTERNAL
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A. THE MILITARY SITUATION

THE LEVEL OF ACTIVITY WAS RELATIVELY LIGHT THIS PERIOD, WITH INCIDENTS DOWN OVER 20 PERCENT COUNTRYWIDE. THIS CONTINUED THE DOWNWARD TREND OF THE PAST TWO WEEKS. HOWEVER, THIS IS CONSIDERED TO BE THE "LULL" BEFORE THE STILL EXPECTED "STORM" AROUND TET. IN A NUMBER OF AREAS GVN MILITARY ANTICIPATE A SIGNIFICANT

COMMUNIST UPSURGE DURING THE NEW YEAR HOLIDAY. IN KEEPING WITH THE SMALLER NUMBER OF INCIDENTS GVN CASUALTY FIGURES BASED ON INITIAL BATTLEFIELD REPORTS WERE ALSO LOWER, WITH KIA DOWN SOMEWHAT MORE THAN 20 PERCENT.

B. NEW COMMANDER FOR III CORPS

IN A SUDDEN CHANGE OF COMMAND, LTG NGUYEN VAN TOAN HAS BEEN DESIGNATED MR-3. COMMANDER IN RELIEF OF LTG DU QUOC DONG. THE TURNOVER BECAME EFFECTIVE FEBRUARY 5 AT A CEREMONY AT BIEN HOA. TOAN WAS COMMANDER OF MR-2 UNTIL HIS REASSIGNMENT IN NOVEMBER 1974 WHEN THREE OF THE FOUR CORPS COMMANDERS WERE CHANGED. COMMENT: GENERAL TOAN'S TALENTS AS AN AGGRESSIVE MILITARY COMMANDER OBVIOUSLY WEIGHED HEAVILY IN HIS NEW APPOINTMENT. WHILE CHANGE OF COMMAND WAS SUDDEN, IT WAS NOT WHOLLY UNEXPECTED SINCE MILITARILY MR-3 HAS BEEN VERY HARD PRESSED RECENTLY. THE PROBABILITY OF CHANGE WAS UNDERSCORED BY THE FACT THAT LTC DONG, ONLY RECENTLY APPOINTED, HAD SHOWN INCREASING SIGNS OF BEING OUT OF HIS DEPTH.

C. NATIONAL POLICE MOVE TO DISBAND HOA HAO CIVIL GUARD

ON JAN 29, THE GVN ARRESTED HAI TAP, COMMANDER OF THE INDEPENDENT HOA HAO CIVIL GUARD (BAO AN), AND SEVERAL OF HIS STAFF. CARRYING OUT AN OFFICIAL MOI ORDER DISBANDING THE BAO AN, POLICE ARRESTED OVER 600 BAO AN AND CONFISCATED 184 WEAPONS IN THE HEAVILY HOA HAO PROVINCES OF KIEN PHONG, SA DEC, VINH LONG, CHAU DOC AND AN GIANG. CONTRARY TO PRESS REPORTS, CONGEN CAN THO REPORTS ONLY THREE BAO AN KNOWN TO HAVE BEEN KILLED SO FAR.

WIDESPREAD ARREST OF BAO AN LEADERSHIP APPEARS TO HAVE LEFT RANK AND FILE CONFUSED AND INDECISIVE. HOA HAO REACTION GENERALLY LIMITED TO TEMPORARY ROAD BLOCS, CLOSING OFF MARKETS AND SIMILAR

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DEMONSTRATIONS INCREASINGLY MADE UP MOSTLY OF WOMEN AND CHILDREN. THESE HAVE BACKED DOWN AND LEFT WHEN CONFRONTED BY POLICE. AFTER INITIAL CRACKDOWN, MOST BAO AN IN OUTLYING PROVINCES OF KIEN PHOG, SA DEC AND VINH LONG HAVE EITHER DISBANDED OR RALLIED TO CHAU DOC AND AN GIANG WHERE THEY ARE GATHERED IN LARGE GROUPS AROUND THEIR PAGODAS AND LOCAL OFFICES. WHILE MANY IN THESE GROUPS ARE NOT ARMED, POLICE RECOGNIZE FURTHER ACTION COULD LEAD TO SERIOUS HEIGHTENING OF CONFRONTATION AND HAVE REFRAINED FROM MAKING ARRESTS FOR THE PAST THREE DAYS.

THE HOA HAO RELIGIOUS FACTION OF LUONG TRONG TUONG WHICH IS PREDOMINANT IN THE BAO AN HAS BEEN ATTEMPTING TO TAKE ADVANTAGE OF HEIGHTENED COMMUNIST ATTACKS TO PRESS FOR GREATER HOA HAO MILITARY AUTONOMY SINCE EARLY 1974 (REF SAIGON 15877). AS BAO AN RANKS SWELLED RAPIDLY DURING PAST FEW MONTHS, THEY

INCREASINGLY FLEXED THEIR MUSCLES AND FLAUNTED THE AUTHORITY OF
LOCAL GVN OFFICIALS. SPECIFIC EXCESSES INCLUDED RECRUITING FROM
THE PF AND "RESCUING" DRAFTEES BLOCKING GVN MOBILIZATION PROGRAM
IN MANY HOA HAO AREAS.

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C O N F I D E N T I A L SECTION 2 OF 3 SAIGON 1405

CINCPAC FOR POLAD

COMMENT: AT THIS POINT BOTH SIDES ARE AVOIDING MAJOR ARMED CLASHES. THE GVN HAS BEEN SUCCESSFUL SO FAR BUT AT PRESENT IS HOLDING BACK FROM ATTEMPTING DISBAND LARGE BAO AN DEFENSIVE CONCENTRATIONS IN AN GIANG AND CHAU DOC. AFTER INITIAL SETBACKS TUONG FACTION IS SEEKING A POLITICAL SOLUTION WITH GVN THROUGH GOOD OFFICES OF ELECTED DEPUTIES AND SENATORS. IN THE PROCESS THEY MAY WELL HAVE TO RELINQUISH MOST OF THEIR EARLIER DEMANDS FOR INCREASED MILITARY AUTONOMY.

D. RADICAL OPPOSITION GROUPS ISSUE "POLITICAL INDICTMENT"

A "POLITICAL INDICTMENT", SUBTITLED AN "URGENT WARNING TO THE PEOPLE", WAS DISTRIBUTED TO PRESS REPORTERS ON FEB 1 BY FR DINH BINH DINH, VICE CHAIRMAN OF THE PEOPLE'S ANTI-CORRRUPTION MOVEMENT (PACM). A MASS MEETING OF ABOUT 500 HELD BY FR TRAN HUU THANH FOLLOWED AT THE TAN CHI LINH CHURCH, SAIGON. THE EIGHT-PAGE SINGLE-SPACED "INDICTMENT" CONSISTS OF AN INTRODUCTION WHICH ACCUSES PRES THIEU OF HAVING "TURNED DEMOCRACY IN THE SOUTH INTO A DICTATORIAL AND TOTALITARIAN REGIME" AND FOUR MAIN SECTIONS DESCRIBING ALLEGED "HIGH CRIMES" COMMITTED AGAINST THE REGIME, AGAINST THE ARMY, AGAINST THE PEOPLE AND AGAINST PEACE.

THE SO-CALLED "CRIMES" AGAINST THE PRES ARE A REHASH OF PREVIOUS CHARGES INCLUDING ABRIDGEMENT OF CONSTITUTIONAL GUARANTEES, UNCONTESTED AND RIGGED ELECTIONS, RESPONSIBILITY FOR SERIOUS DETERIORATION OF MORALE AND COMBAT CAPABILITY OF THE ARMY, WIDESPREAD GOVERNMENT CORRUPTION, DRUG TRAFFICING AND BEING AN ENEMY OF PEACE. THE INDICTMENT CHARGES THAT "IT IS IMPOSSIBLE TO OBTAIN PEACE WITH NGUYEN VAN THIEU BECAUSE HE IS A PRODUCT OF THE WAR, WAS NURTURED ON IT AND SURVIVED WITH IT". IT CONCLUDES, "FOR ALL THESE REASONS...THE ENTIRE POPULATION
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OF SOUTH VIETNAM DEMANDS THAT MR NGUYEN VAN THIEU RESIGN".

THE TWENTY-FIVE SIGNERS INCLUDE PACM REPS, NUMEROUS REPS OF PRESS STRUGGLE GROUPS, MILITANT LAWYERS, STUDENTS AND A NUMBER OF POLITICAL PERSONALITIES INCLUDING REPUBLICAN PARTY SEN TRUONG TIEN DAT, LILY BLOC SEN LE CHAU LOC, MONTAGNARD SEN I BLING AND LOWER HOUSE PEOPLE'S SOCIETY BLOC LEADER TRAN VAN TUY EN.

COMMENT: WHILE SIGNERS REPRESENT SUBSTANTIAL GROUPING OPPOSITION FIGURES, NOTABLY ABSENT WERE BUDDHIST NOTABLES SUCH AS GENERAL DUONG VAN "BIG" MINH, SEN VU VAN MAU OR ANY REP OF AN QUANG HIGH SECULAR COUNCIL.

NINE INDEPENDENT OR OPPOSITION PAPERS CARRIED TEXT OR SUMMARIES OF "INDICTMENT" IN FEBRUARY 3 ISSUE AND ALL WERE CONFISCATED.

E. THIEU MEETS PRESS

PRES THIEU SINCE JAN 28 HAS GIVEN INTERVIEWS TO THREE NEWSMEN SINGLY (ABC, TIME, WASH POST) AND TO NINE MORE WHO MET HIM AS A GROUP. THIEU USED INTERVIEWS TO STRESS NEED FOR CONTINUING ADEQUATE LEVEL AMERICAN AID, ALSO RESPONDED TO TOUGHER QUESTIONS INCLUDING QUERIES ON PRESS FREEDOM AND OPPOSITION POLITICAL ACTIVITIES.

INTERVIEWS MAY NOT BE GETTING AS MUCH PLAY AS GVN HAD HOPED. TIME'S PETER RANGE, FOR EXAMPLE, DID LENGTHY WRITE-UP OF INTERVIEW OF WHICH, RANGE SAYS, ONLY SEVERJCFLIDHS#JVLHGVREAGSCZXYOMYLJDWD #

AX YGO LHVNS

BP

WL ARTICLE. IN GENERAL, HOWEVER, INTERVIEWS SEEM TO HAVE GOTEN THIEU WIDELY ON RECORD IN FOREIGN PRESS AT TIME WHEN CONGRESSIONAL CONSIDERATION OF SUPPLEMENTAL AID TO VIETNAM IS AT INTENSE LEVEL.

F. GOVERNMENT ARRESTS NEWSMEN & CLOSES FIVE PAPERS

GOV'T ANNOUNCED FEB 3 THAT IT HAS ARRESTED "NUMBER OF UNDER-CONFIDENTIAL

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GROUND COMMUNIST AGENTS WHO HAD INFILTRATED PRESS CIRCLES FOR PURPOSES OF SABOTAGE" AND THAT IT HAD DECIDED TO SUSPEND PUBLICATION OF PAPERS INVOLVED: DIEN TIN, DONG PHUONG, SONG THAN, BUT THEP, AND TIA SANG. ON FEB 3 AND 4, POLICE ARRESTED OVER 20 NEWSMEN

INCLUDING THREE PUBLISHERS AND ONE EDITOR.EZPOLICE ALSO RAIDED FIVE NEWSPAPERS MENTIONED AND CONFISCATED CLICHE PLATES. BY MID-DAY FEB 5 AT LEAST FIVE OF THOSE ARRESTED HAD BEEN RELEASED. ONE NAME CHOE, CHOE, WHOSE TRANCHANT PICTURES APPEAR IN SAIGON POST AND SONG THAN, HAS BEEN WRITTEN UP BEFORE BY WESTERN PRESS AND MAY NOW BE SUBJECT OF FURTHER FOREIGN PRESS INTEREST.

WE UNDERSTAND FROM SEVERAL HIGH-LEVEL GVN FIGURES THAT GOV'T HAS STRONG CASE AGAINST NEWSMEN. (DEP PRIME MINISTER PHAN QUANG DAN TOLD A FOREIGN CORRESPONDENT THAT HE HAD ARGUED IN CABINET AGAINST MOVING AGAINST NEWSMEN UNTIL AFTER CONGRESS VOTES ON AID SUPPLEMENTAL THOUGH HE AGREED THAT GOV'TS CASE WAS STRONG. WE ARE TOLD THAT GOV'T WILL HOLD PRESS CONFERENCE TOMORROW (FEB 6) TO EXPLAIN ITS ACTION TO PUBLIC.

GOVERNMENT CRITICS TRAN KIM TUYEN (FORMER HEAD OF DIEM SECURITY SERVICE) AND SUPREME COURT JUSTICE TRAN MINH TIET PROFESSED TO US FAILURE TO UNDERSTAND GOV'T MOVE, AS DID SECRETARY GENERAL OF THE SENATE DAO HUU PHAN. CHINH LUAN PUBLISHER DANG VAN SANG, ON OTHER HAND, TOLD US PRESS HAD GONE TOO FAR AND FOUND GOV'T ACTION WARRANTED, A POSITION WITH WHICH CVT LEADER TRAN QUOC BUU TOLD US HE AGREES. BOTH SANG & BUU BELIEVE THAT AT LEAST SOME OF THOSE ARRESTED HAVE COMMUNIST AFFILIATIONS.

OF THOSE STILL HELD IS CARTOONIST NGUYEN HAI CHI WHO GOES BY PEN NOTE BY OCT: #AS RECEIVED. CORRECTION TO FOLLOW.

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O R 051100Z FEB 75

FM AMEMBASSY SAIGON

TO SECSTATE WASHDC IMMEDIATE 2535

INFO AMEMBASSY BANGKOK

AMCONSUL BIEN HOA

AMCONSUL CAN THO

AMCONSUL DANANG

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CIA
DIA
JCS
JUSMAAG
WHITE HOUSE
USAJFKCMA/ATCS-WL-DSA
CINCPAC
CINCPACAF
CINCPACFLT
DEPCHIEF JUSMAAG UDORN
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C O N F I D E N T I A L SECTION 3 OF 3 SAIGON 1405

CINCPAC FOR POLAD

II. EXTERNAL

A. GVN IN GOOD POSITION AT LAW OF WAR CONFERENCE

1. IN AN ATTEMPT TO INTRODUCE A NEW ELEMENT INTO THE QUESTION OF INVITING THE "PRG" TO THE LAW OF WAR CONFERENCE, THE ALGERIAN DELEGATION INTRODUCED A DRAFT RESOLUTION TO THE CONFERENCE ON FEB 3 CALLING FOR THE INVITATION OF "BOTH GOVERNMENTS OF SOUTH VIETNAM". IN ACTUALITY, THE ALGERIAN RESOLUTION WAS NOTHING MORE THAN AN ATTEMPT TO REINTRODUCE THE QUESTION OF AN INVITATION TO THE "PRG", A QUESTION WHICH WAS SETTLED LAST YEAR WHEN THE CONFERENCE DECIDED BY A NARROW VOTE NOT TO INVITE THE "PRG".

2. AT THE FEB 4 SESSION, FOLLOWING A SERIES OF SPEECHES ON

THE PROCEDURAL ISSUE OF WHETHER RULE 32 (REQUIRING A TWO-THIRDS MAJORITY IN ORDER TO REOPEN A PREVIOUSLY DECIDED QUESTION) OR RULE 35, PARA 4 (REQUIRING A SIMPLE MAJORITY FOR CONSIDERATION OF A NEW ISSUE) WAS APPLICABLE TO TAKING UP DISCUSSION OF THE ALGERIAN RESOLUTION, THE CHAIRMAN, SWISS FONMIN GRABER, PUT THE ISSUE TO A VOTE.

3. HIS INITIAL PROPOSAL TO POLL THE CONFERENCE ON ITS PREFERENCE FOR RULE 32 OR RULE 35 RESULTED IN 41 VOTES FOR RULE 32 AND 41 VOTES FOR RULE 35. SINCE NO DECISION WAS REACHED, GRABER POSED THE QUESTION OF RULE 35 APPLICABILITY. THE VOTE WAS 41 IN FAVOR AND 41 AGAINST. GRABER THEN RULED THAT SINCE A TIE VOTE RESULTS IN THE DEFEAT OF THE PROPOSAL UNDER CONFERENCE RULES, THE SIMPLE MAJORITY FORMULA WAS DEFEATED, AND DECLARED RULE 32, WHICH REQUIRES A TWO-THIRDS VOTE OF THE CONFERENCE TO BEGIN DISCUSSION OF THE ALGERIAN RESOLUTION, TO BE APPLICABLE.

4. GRABER'S RULING IS OPEN TO CHALLENGE BY MAJORITY VOTE
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AND, AS OF THIS WRITING, IT APPEARS THAT A CHALLENGE MAY BE FORTHCOMING AT THE FEB 5 SESSION. AT PRESENT, IT SEEMS THE CHANCES OF UPHOLDING THE CHAIRMAN'S RULING ARE GOOD, AND THERE APPEARS TO BE LITTLE POSSIBILITY THAT THE "PRG" SUPPORTERS CAN COME UP WITH THE TWO-THIRDS MAJORITY NECESSARY TO BRING ABOUT CONSIDERATION OF THE ALGERIAN RESOLUTION.
END CONFIDENTIAL

BEGIN UNCLASSIFIED

III. ECONOMIC

A. OIL EXPLORATION DEVELOPMENTS

OIL EXPLORATION ACTIVITIES HAVE BEEN HAMPERED FOR THE PAST MONTH OR SO BY BAD WEATHER. HOWEVER, PRELIMINARY RESULTS HAVE BEEN ENCOURAGING, SO THAT WITH THE IMPROVEMENT IN THE WEATHER, MOBIL WILL NOW COMMENCE ACTUAL FLOW TESTS ON ITS FIRST WELL CALLED BACH HO, OR WHITE TIGER IX. Pecten expects to abandon its third wild cat well called MIA, OR SUGAR CANE IX, AFTER DRILLING TO 10,000 FEET AND MOVE ITS RIG BACK TO THE DUA, OR COCONUT, STRUCTURE NEXT WEEK. THIS IS THE SITE OF THE SECOND WELL THAT Pecten DRILLED LAST FALL ON WHICH FLOW TESTS WERE VERY FAVORABLE. Pecten HOPES THAT RESULTS OF SPUDDING ANOTHER WELL INTO THE DUA STRUCTURE WILL CONFIRM THE PRESENCE OF QUANTITIES OF OIL SUFFICIENT TO JUSTIFY COMMERCIAL DEVELOPMENT.

B. WHEAT AGREEMENT SIGNED

THE USG AGREED TO PROVIDE 50,000 MT PF WHEAT WORTH US\$8

MILLION TO VIETNAM IN FY 1975. AMBASSADOR MARTIN AND FOREIGN MINISTER

BAC EXCHANGED NOTES JANUARY 30 AMENDING THE BASIC PL-480 SALES AGREEMENT, WHICH CALLED FOR SHIPMENT OF 2,600 MT (\$7.2 MILLION) OF TOBACCO.

BOTH THE WHEAT AND TOBACCO WILL BE FINANCED UNDER A CONCESSIONAL 40-YEAR LOAN.

C. NEW AGRICULTURE DEVELOPMENT BANK HEAD

TRAN THIEN AN WAS APPOINTED LAST WEEK AS DIRECTOR GENERAL
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OF THE AGRICULTURE DEVELOPMENT BANK (ADB). AND SUCCEEDS NGUYEN DANG HAI, WHO RESIGNED IN NOVEMBER AFTER MORE THAN FIVE YEARS AT THE HEAD OF ADB. AN, AMERICAN EDUCATED, MOVES UP FROM DIRECTOR OF THE EXPORT DEVELOPMENT CENTER. HIS APPOINTMENT FOLLOWING A WIDELY-PUBLISHED SELECTION PROCEDURE, WAS MARRED BY NEWS THAT HE AND SOME OF HIS COLLEAGUES WERE BEING INVESTIGATED BY THE INSPECTORATE FOR CORRUPTION IN CONNECTION WITH THE CERTIFICATION OF BUSINESSMEN TO RECEIVE EXIT VISAS.

D. KITCHEN GOD NUDGES PRICES UP

WITH A WEEK TO GO BEFORE THE TET HOLIDAY, USAID'S CONSUMER PRICE INDEX ROSE 2.2 PCT. EXCEPT FOR RICE, MOST FOOD ITEMS INCREASED AS VIETNAMESE HOUSEHOLDS MARKED THE PRE-TET ASCENT TO HEAVEN OF THE KITCHEN GOD. FAMILIES TRADITIONALLY PREPARE FOOD OFFERINGS TO APPEASE

THE KITCHEN GOD BEFORE HE DEPARTS TO MAKE HIS ANNUAL REPORT TO HEAD-QUARTERS.

A 1-2PCT DECLINE IN RICE PRICES PARTLY OFFSET THE INCREASES IN OTHER ITEMS. THE ADVENT OF THE PEAK HARVEST SEASON AND GOVERNMENT SALES FROM ITS STOCKS ON THE LOCAL MARKET HAVE KEPT RICE PRICES IN LINE.

E. DOLLAR AND GOLD MARKETS QUIET

BLACK MARKET DOLLAR RATES SLIPPED FROM VN\$810 TO VN\$806/US\$1 FOR \$100 GREEN THIS WEEK. SAIGON GOLD QUOTES ROSE SLIGHTLY FROM \$197.88 TO \$199.10 PER TROY OUNCE (CONVERTED AT THE OFFICIAL EXCHANGE RATE OF VN\$700/US\$1).
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